

Peter F. Jazayeri (SBN 199626)  
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Proposed Attorneys for Receiver  
CORDES & COMPANY, LLC THROUGH  
AND BY BELLANN RAILE

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION**

In re  
THE SOURCE HOTEL, LLC,  
Debtor.

Case No. 8:21-bk-10525-ES

Chapter 11

**STIPULATION AMONG DEBTOR,  
RECEIVER, AND CREDITOR SHADY  
BIRD LENDING, LLC AUTHORIZING  
RECEIVER TO EMPLOY ATTORNEY  
AND TO OBTAIN RELIEF FROM STAY  
FOR THE LIMITED PURPOSE OF  
AUTHORIZING RECEIVER TO SEEK  
APPROVAL FROM STATE COURT TO  
RETAIN RECEIVERSHIP COUNSEL**

[Notice of Motion and Motion For Relief From  
Automatic Stay (Action in Non-Bankruptcy  
Forum) F-4001-RFS, Declaration of Peter F.  
Jazayeri, and Supplemental Notice of Hearing  
To Be Held Remotely Using Zoom.Gov Audio  
and Video Filed Concurrently Herewith]

Date: May 20, 2021  
Time: 10:00 AM  
Place: Courtroom 5A

1 Creditor and state-court plaintiff Shady Bird Lending, LLC (“Shady Bird”), debtor and state-  
2 court defendant The Source Hotel, LLC (“Debtor”), and Cordes & Company, LLC through and by  
3 Bellann Raile (“Receiver”) stipulate as follows:

4 1. On or about February 8, 2021, Shady Bird filed its complaint against the Debtor in  
5 the Superior Court of California, County of Orange (the “State Court”), commencing Case No. 30-  
6 2021-01183489-CU-OR-CJC (the “State Court Action”).

7 2. On February 17, 2021, the State Court entered an Order granting an *Ex Parte* Order  
8 Appointing Receiver and Order To Show Cause And Temporary Restraining Order—Rents, Issues,  
9 and Profits (“Receivership Order”), pursuant to which Receiver was appointed, and a receivership  
10 estate was created. A true and correct copy of the Receivership Order is attached as Exhibit A to the  
11 Declaration of Peter F. Jazayeri filed concurrently herewith (“Jazayeri Declaration”) and  
12 incorporated herein by this reference.

13 3. On or about, February 26, 2021, the Debtor filed a voluntary petition under Chapter  
14 11 of Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy  
15 Court for the Central District of California, Santa Ana Division (the “Bankruptcy Court”) as Case  
16 No. 8:21-bk-10525-ES (the “Bankruptcy Case”).

17 4. On or about March 25, 2021, Shady Bird filed a Motion for Order Excusing State  
18 Court Receiver From Turnover of the Assets Pursuant to Bankruptcy Code section 543 in the  
19 Bankruptcy Case (the “Excuse Turnover Motion”) [Docket No. 51]. The Debtor filed an  
20 Opposition to the Excuse Turnover Motion and supporting declarations [Docket Nos. 65-66], and  
21 Shady Bird filed a reply and supporting declaration [Docket No. 72].

22 5. Prior to the hearing on the Excuse Turnover Motion, the Receiver attempted to  
23 resolve issues concerning her need for and employment of counsel, as set forth in paragraphs five  
24 through ten of the Jazayeri Declaration. Shady Bird supported the hiring of counsel, but the Debtor  
25 wanted to wait until after the Excuse Turnover Motion was heard.

26 6. On April 15, 2021, the Bankruptcy Court held a hearing on the Excuse Turnover  
27 Motion and granted it on an interim basis through June 3, 2021 (the “Interim Period”), thereby  
28 allowing the Receiver to remain in place, pending a continued hearing on the Excuse Turnover

1 Motion to be held in the Bankruptcy Court on June 3, 2021 at 2:00 p.m. in Courtroom 5A. Pursuant  
2 to the Order, After Hearing, Granting On An Interim Basis, Motion of Shady Bird Lending, LLC For  
3 Order Excusing State Court Receiver From Turnover of Assets Pursuant to 11 U.S.C. § 543 (the  
4 “Interim Excuse Turnover Order”), Shady Bird is authorized, in its sole discretion, to advance an  
5 amount no greater than \$200,000 (the “Gifted Advance”) to the Receiver to be used by the Receiver,  
6 in her sole discretion, to remediate, repair, and fix issues at the Project (as defined in the Excuse  
7 Turnover Motion), provided that the Receiver shall provide timely written notice by e-mail to  
8 bankruptcy counsel for the Debtor.

9 7. In the event of a bankruptcy filing, Paragraph 27(d) of the Receivership Order  
10 provides that “the receiver may petition the court to retain legal counsel to assist the receiver with  
11 issues arising out of the bankruptcy proceedings that affect the receivership.” Shady Bird, the Debtor  
12 and the Receiver (collectively, the “Parties”) agree that, under applicable law, the Receiver is  
13 entitled to employ counsel when necessary, including as part of her duties to perform an accounting,  
14 submit herself to inquiry, or protect against attack by those beneficially interested in the estate.

15 8. The Parties agree that, under applicable law, the factors for determining the  
16 reasonableness of a receiver’s compensation pursuant to Bankruptcy Code section 543 are similar to  
17 those used in considering other attorneys’ fees and include: the time and labor expended by the  
18 custodian; the benefit of the custodian’s services to the debtor and the estate; the size and/or  
19 complexity of the estate; what the custodian would have received if he or she had been appointed as  
20 trustee for the debtor, and the quality of the custodian’s services.

21 9. During the Interim Period, the Receiver requires counsel to maintain her  
22 independence and protect the sanctity of the receivership estate, to represent the Receiver’s interests  
23 with respect to the performance of the Receiver’s powers, rights, and duties as required in  
24 accordance with the Receivership Order, the California Rules of Court, and the Bankruptcy Code, as  
25 well as to advise and protect the Receiver against any challenges to the Receiver’s authority or  
26 handling of the receivership estate pending resolution of the Excuse Turnover Motion. In addition,  
27 if the Excuse Turnover Motion is later denied, the Receiver will need an attorney to help her comply  
28 with the obligations of Bankruptcy Code section 543, which governs the Receiver’s duties to

1 turnover receivership property to the debtor-in-possession and file an accounting and report pursuant  
2 to Bankruptcy Code section 543(b)(2) and Federal Rule of Bankruptcy Procedure 6002.

3 10. While the Receiver may be entitled to employ counsel without a retention order in  
4 bankruptcy, in an abundance of caution, and to avoid any conflicts between the Receivership Order  
5 and the requirements of the Bankruptcy Code, the Receiver requested that the Parties enter into this  
6 stipulation consenting to her hiring of counsel and granting her relief from stay for the sole purpose  
7 of obtaining approval in the State Court Action to hire such counsel.

8 **WHEREFORE**, based on the foregoing paragraphs, Shady Bird, the Debtor, and Receiver  
9 respectfully request that the Court enter an order:

10 (i) approving this stipulation;

11 (ii) lifting the automatic stay set forth in 11 U.S.C. § 362 for the sole purpose of  
12 authorizing the Receiver to obtain approval from the State Court to employ Peter Jazayeri of Jaz, A  
13 Professional Legal Corporation (“Attorney”) as her attorney, pursuant to the terms of the  
14 engagement letter attached as Exhibit “H” to the Jazayeri Declaration, subject to all Bankruptcy  
15 Code requirements;

16 (iii) Shady Bird, the Debtor, and the Receiver acknowledge and agree that all parties,  
17 including, the Debtor, the Office of the U.S. Trustee, creditors of the Debtor, and other parties in  
18 interest in the Debtor’s bankruptcy case, reserve all of their rights to object to the reasonableness of  
19 any fees incurred by the Receiver and the Receiver’s Attorney, and that the Receiver and Receiver’s  
20 Attorney reserve all of their rights and defenses to respond to any such objection; and

21 (iv) granting such other and further relief as the Court deems just and appropriate under  
22 the circumstances.

23 DATED: April 27, 2021

**JAZ, A PROFESSIONAL LEGAL CORPORATION**

24  
25 By: 

Peter F. Jazayeri

Proposed Attorneys for Receiver

CORDES & COMPANY, LLC BY AND THROUGH  
BELLANN RAILE

1  
2 DATED: April 27, 2021

**CORDES & COMPANY, LLC BY AND  
THROUGH BELLANN RAILE**

3  
4 By: Bellann Raile  
5 Bellann Raile  
6 Receiver

7 DATED: April \_\_\_, 2021

**LAW OFFICES OF RONALD RICHARDS &  
ASSOCIATES, APC**

8  
9 By: \_\_\_\_\_  
10 Ronald Richards  
11 Attorneys for  
SHADY BIRD LENDING LLC

12 DATED: April \_\_\_, 2021

**SULMEYERKUPETZ, A PROFESSIONAL  
CORPORATION**

13  
14 By: \_\_\_\_\_  
15 Daniel A. Lev  
16 Attorneys for  
SHADY BIRD LENDING LLC

17 DATED: April 26, 2021

**LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.**

18 By: \_\_\_\_\_  
19 Juliet Y. Oh  
20 Attorneys for Debtor  
21 THE SOURCE HOTEL, LLC  
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5 Bellann Raile  
6 Receiver

7 DATED: April 27, 2021

**LAW OFFICES OF RONALD RICHARDS &  
ASSOCIATES, APC**

8  
9 By: /s/Ronald Richards  
10 Ronald Richards  
11 Attorneys for  
SHADY BIRD LENDING LLC

12 DATED: April 27, 2021

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12 DATED: April \_\_\_, 2021

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15 Daniel A. Lev  
16 Attorneys for  
SHADY BIRD LENDING LLC

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20 By: \_\_\_\_\_  
21 Juliet Y. Oh  
22 Attorneys for Debtor  
23 THE SOURCE HOTEL, LLC  
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## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 1100 Glendon Avenue, Suite 1500, Los Angeles, CA 90024.

A true and correct copy of the foregoing document entitled (*specify*): **STIPULATION AMONG DEBTOR, RECEIVER, AND CREDITOR SHADY BIRD LENDING, LLC AUTHORIZING RECEIVER TO EMPLOY ATTORNEY AND TO OBTAIN RELIEF FROM STAY FOR THE LIMITED PURPOSE OF AUTHORIZING RECEIVER TO SEEK APPROVAL FROM STATE COURT TO RETAIN RECEIVERSHIP COUNSEL** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On April 28, 2021, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On April 28, 2021, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL**

**(state method for each person or entity served):** Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on April 28, 2021, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

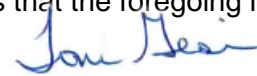
I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

April 28, 2021

Date

Toni Gesin

Printed Name



Signature



**ATTACHMENT TO F 9013-3.1.PROOF.SERVICE**

**Via NEF**

- **Attorney for Debtor: Ron Bender** rb@lnbyb.com
- **Michael G Fletcher** mfletcher@frandzel.com, sking@frandzel.com
- **Amir Gamliel** amir-gamliel-9554@ecf.pacerpro.com, cmallahi@perkinscoie.com;DocketLA@perkinscoie.com
- **Robert P Goe** kmurphy@goeforlaw.com, rgoe@goeforlaw.com;goeforecf@gmail.com
- **Attorney for U.S. Trustee: Nancy S Goldenberg** nancy.goldenberg@usdoj.gov
- **Attorney for Receiver in State Court: Peter F Jazayeri** peter@jaz-law.com
- **Attorney for Shady Bird: Daniel A Lev** dlev@sulmeyerlaw.com, ccaldwell@sulmeyerlaw.com;dlev@ecf.inforuptcy.com
- **Grant A Nigolian** grant@gnpclaw.com, process@gnpclaw.com;grant.nigolian@gmail.com
- **Attorney for Debtor: Juliet Y Oh** jyo@lnbrb.com, jyo@lnbrb.com
- **Ho-El Park** hpark@hparklaw.com
- **Attorney for Shady Bird: Ronald N Richards** ron@ronaldrichards.com, morani@ronaldrichards.com
- **United States Trustee (SA):** ustpreion16.sa.ecf@usdoj.gov

**Via U.S. Mail**

The Source Hotel (Debtor)  
6988 Beach Boulevard, Suite B-215  
Buena Park, CA 90621

Ted Sul (Creditor)  
Newgens, Inc.  
14241 Foster Road  
La Mirada, CA 90638

Rachel Castro (Creditor)  
Cabrillo Hoist  
P.O. Box 3179  
Rancho Cucamonga, CA 91729

Solid Construction Company, Inc. (Creditor)  
883 Crenshaw Blvd.  
Los Angeles, CA 90005

WESCO Distribution, Inc. (Creditor)  
6251 Knott Ave.  
Buena Park, CA 90620

Harbor All Glass & Mirror, Inc. (Creditor)  
1926 Placentia Ave.  
Costa Mesa, CA 92627

Edward Riggs (Creditor)  
Diablo Consulting  
13200 Crossroads Parkway N, Ste. 115  
City of Industry, CA 91746

Ace Tek Roofing Co. (Creditor)  
747 S. Ardmore Ave., Ste. 405  
Los Angeles, CA 90005

Briana Ochoa (Creditor)  
Morrow Meadows  
231 Benton Court  
City of Industry, CA 91789

Evergreen Electric Construction, Inc. (Creditor)  
629 Grove View Lane  
La Canada, CA 91011

Steve Ruck (Creditor)  
Chefs Toys  
18430 Pacific Street  
Fountain Valley, CA 92708

Stumbaugh & Associates, Inc. (Creditor)  
3303 N. San Fernando Blvd.  
Burbank, CA 91504

HBA Procurement, Inc. (Creditor)  
3216 Nebraska Ave.  
Santa Monica, CA 90404

Roger J. Fugit (Creditor)  
OJ Insulation LP  
600 S. Vicent Ave.  
Azusa, CA 91702

DKY Architects (Creditor)  
15375 Barranca Parkway, Suite A-210  
Irvine, CA 92618

Dooman Jun (Creditor)  
Master Glass  
2225 W. Pico Blvd., Unit C  
Los Angeles, CA 90006

Cecilia Dinh (Creditor)  
Universal Flooring Systems  
15573 Commerce Lane  
Huntington Beach, CA 92649

L2 Specialties (Creditor)  
3613 W. Macarthur Blvd., #611  
Santa Ana, CA 92704

Ficcadenti Waggoner (Creditor)  
16969 Von Karman Ave., Ste. 240  
Irvine, CA 92606

Retrolock Corporation (Creditor)  
17915 Railroad St.  
City of Industry, CA 91748

American Engineering Laboratories, Inc. (Creditor)  
P.O. Box 1816  
Whittier, CA 90609

Christopher G. Cardinale  
Alvarez-Glasman & Colvin  
13181 Crossroads Pkwy N, Ste 400  
City of Industry, CA 91746

**Via Overnight Delivery**

Honorable Erithe A. Smith  
US Bankruptcy Court – Santa Ana Division  
Ronald Reagan Federal Building  
411 West 4<sup>th</sup> Street, #5040  
Santa Ana, CA 92701